

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)  
EXECUTIVE SUMMARY**

**Fellowship Homes, Inc. (“FH”)**

**Amendment to Resolution Number 358**

**January 6, 2011**

**PURPOSE OF THE REQUEST:**

Fellowship Homes, Inc. (“FH”) is seeking the Authority’s approval to increase the amount previously approved by the board at its December 2, 2010 meeting (from \$3,205,000 to \$3,300,000, an overall increase of \$95,000).

**BACKGROUND:**

At the December 2, 2010 meeting, the Authority approved Resolution Number 358, which authorized FH to go out to the tax-exempt market for \$3,205,000. Bond proceeds were approved to currently refund CHFFA Insured Health Facility Refunding Revenue Bond Series 1996A, as well as to fund debt service reserve funds, and to pay the costs of issuance, including the fees and premiums associated with Cal-Mortgage insurance. FH is requesting the additional amount to allow for possible increases in project costs, including the costs of issuance.

**FINANCIAL OVERVIEW:**

As of the December 2, 2010 meeting, FH had a pro-forma debt service coverage ratio of 2.36x. With the requested increase in amount to be issued, the pro-forma debt service coverage ratio lowers very slightly to 2.32x. This pro-forma continues to indicate FH should likely be able to repay the proposed CHFFA bonds.

**RECOMMENDATION:**

Staff recommends the Authority amend Resolution Number 358 to permit the increase in the amount requested from \$3,205,000 to \$3,300,000.